

SUBCOMMITTEE: SUBCOMMITTEE #3

HOUSE BILL NO. 1483

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Labor and Commerce

on _____)

(Patron Prior to Substitute--Delegate Bagby)

A BILL to amend the Code of Virginia by adding a section numbered 56-585.5 and by adding in Chapter 8 of Title 63.2 a section numbered 63.2-806 and to repeal § 56-585.1:2 of the Code of Virginia, relating to the Percentage of Income Payment Program and Fund; established.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-585.5 and by adding in Chapter 8 of Title 63.2 a section numbered 63.2-806 as follows:

§ 56-585.5. Universal service fee; Percentage of Income Payment Program.

A. The Commission shall set the rate of a non-bypassable universal service fee to fund the Percentage of Income Payment Program established pursuant to § 63.2-806. Such universal service fee shall be allocated to retail electric customers on the basis of the amount of kilowatt hours used.

B. An investor-owned electric utility shall collect such universal service fee and remit such funds to the Percentage of Income Payment Fund established pursuant to § 63.2-806.

C. The Commission shall assist the Department of Housing and Community Development (the Department) in the administration of the Percentage of Income Payment Program as requested by the Department.

§ 63.2-806. Percentage of Income Payment Program and Fund; report; survey.

A. The General Assembly declares that it is the policy of the Commonwealth to ensure that the residential energy burden on low-income families is affordable and sustainable and to educate such families about energy conservation. To this end, the Percentage of Income Payment Program (PIPP) is hereby created, and the Department of Housing and Community Development is designated as the state agency responsible for administering such program.

27 B. The monthly electric utility payment of any person participating in PIPP shall be capped at six
28 percent, or, if the participant's home uses electric heat, 10 percent, of the participant's household income.
29 A participant may further reduce his monthly electric utility payment through a conservation program
30 incentive. Under this program incentive, if a participant lowers his monthly electricity usage below his
31 historical baseline average, the participant's electric utility bill for such month shall be reduced by 50
32 percent of the monetary amount by which such participant lowered his usage.

33 After a person participates in PIPP for 12 months, the electric utility provider shall transition the
34 participant to a budget billing system if such transition would lower such participant's monthly electric
35 utility payment. If transition to a budget billing system would not lower the participant's monthly electric
36 utility payment, a comprehensive audit shall be conducted on the participant's home to identify energy
37 inefficiencies, and the participant's home shall be retrofitted with any energy-saving equipment or
38 measures necessary to ensure that the participant's energy burden is affordable and sustainable.
39 Participants who transition to a budget billing system in accordance with this subsection shall be forgiven
40 of any arrearages on electric utility bills accrued prior to participation in PIPP upon making timely and
41 full PIPP payments to the electric utility provider for 12 consecutive months; all other PIPP participants
42 shall be forgiven of arrearages accrued prior to participation in PIPP after making timely and full PIPP
43 payments to the electric utility provider for 12 consecutive months.

44 C. A person shall be eligible to participate in PIPP if:

45 1. Such person or his household is an existing participant or is eligible to participate in any of the
46 following: the Home Energy Assistance Program, the state plan for medical assistance, the Supplemental
47 Nutrition Assistance Program, the Special Supplemental Nutrition Program for Women, Infants, and
48 Children, the Housing Choice Voucher Program, the Family Access to Medical Insurance Security Plan,
49 or Temporary Assistance for Needy Families; and

50 2. Such person (i) participates in an energy efficiency and weatherization program established by
51 regulations of the Department of Housing and Community Development, which shall include an annual
52 audit of energy usage; (ii) complies with any energy education and training requirements set forth in
53 regulations of the Department of Housing and Community Development, including annual energy usage

and behavioral assessments; and (iii) agrees to any data access and sharing policies necessary to provide the Department of Housing and Community Development with information regarding the applicant's energy usage and payment activities with the electric utility provider both at the time of application and throughout his participation in PIPP.

D. There is hereby created in the state treasury a special nonreverting fund to be known as the Percentage of Income Payment Fund, hereinafter "the Fund." Moneys in the Fund shall be used to:

1. Pay to electric utility providers the monthly account balances of PIPP participants that remain after such participants' percentage-of-income payment less any earned conservation program incentive deductions; and

2. Fund the energy efficiency, weatherization, and educational and training programs and initiatives established by the Department of Housing and Community Development for the implementation of PIPP.

The Fund shall be established on the books of the Comptroller. The Fund shall consist of moneys contributed by electric utility providers collected through a non-bypassable universal service fee pursuant to § 56-585.5. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes set forth in this section. The State Treasurer shall make expenditures and disbursements from the Fund on warrants issued by the Comptroller upon written request signed by the Director of the Department of Housing and Community Development. Up to 12 percent of the Fund may be used to pay the Department of Housing and Community Development's expenses in administering PIPP.

E. In administering PIPP, it shall be the responsibility of the Department of Housing and Community Development to:

1. Administer distributions from the Fund;
2. Lead and facilitate meetings with electric utility providers for the purpose of sharing information and implementing the program;
3. Collect and analyze data regarding the amounts of energy assistance provided through PIPP;

81 4. Develop and maintain a statewide list of available private and governmental resources for low-
82 income Virginians in need of energy assistance; and

83 5. Report annually to the Governor and the General Assembly on or before October 1 of each year
84 on the effectiveness of PIPP in meeting the energy needs of low-income Virginians. In preparing the
85 report, the Department shall:

86 a. Conduct a survey each year that collects information regarding the extent to which the
87 Commonwealth's PIPP efforts are adequate and are not duplicative of similar services provided by utility
88 services providers, charitable organizations, or local governments;

89 b. Obtain information on energy programs in other states; and

90 c. Obtain any information necessary to complete the required annual survey and report.

91 F. Actions of the Department relating to the review, allocation, and awarding of benefits and grants
92 shall be exempt from the provisions of Articles 3 (§ 2.2-4018 et seq.) and 4 (§ 2.2-4024 et seq.) of the
93 Administrative Process Act.

94 G. No employee or former employee of the Department of Housing and Community Development
95 shall divulge any information acquired by him in the performance of his duties with respect to the income
96 or assistance eligibility of any individual or household obtained in the course of administering PIPP,
97 except in accordance with a proper judicial order. The provisions of this subsection shall not apply to (i)
98 acts performed or words spoken or published in the line of duty under law; (ii) inquiries and investigations
99 to obtain information as to the implementation of this section by a duly constituted committee of the
100 General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such
101 information shall be privileged; or (iii) the publication of statistics so classified as to prevent the
102 identification of any individual or household.

103 H. This section shall not apply to any entity organized pursuant to Chapter 9.1 of Title 56.

104 **2. That § 56-585.1:2 of the Code of Virginia is repealed.**

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